

### **Part 3**

#### **Budget-Related Restricted Accounts**

##### **63J-1-312 Establishing a General Fund Budget Reserve Account -- Providing for deposits and expenditures from the account -- Providing for interest generated by the account.**

(1) As used in this section:

- (a) "Education Fund budget deficit" means a situation where appropriations made by the Legislature from the Education Fund for a fiscal year exceed the estimated revenues adopted by the Executive Appropriations Committee of the Legislature for the Education Fund in that fiscal year.
- (b) "General Fund appropriations" means the sum of the spending authority for a fiscal year that is:
  - (i) granted by the Legislature in all appropriation acts and bills; and
  - (ii) identified as coming from the General Fund.
- (c) "General Fund budget deficit" means a situation where General Fund appropriations made by the Legislature for a fiscal year exceed the estimated revenues adopted by the Executive Appropriations Committee of the Legislature for the General Fund in that fiscal year.
- (d) "General Fund revenue surplus" means a situation where actual General Fund revenues collected in a completed fiscal year exceed the estimated revenues for the General Fund for that fiscal year that were adopted by the Executive Appropriations Committee of the Legislature.
- (e) "Operating deficit" means that, at the end of the fiscal year, the unassigned fund balance in the General Fund is less than zero.

(2) There is created within the General Fund a restricted account to be known as the General Fund Budget Reserve Account, which is designated to receive the legislative appropriations and the surplus revenue required to be deposited into the account by this section.

(3)

- (a)
  - (i) Except as provided in Subsection (3)(a)(ii), at the end of any fiscal year in which the Division of Finance, in consultation with the Legislative Fiscal Analyst and in conjunction with the completion of the annual audit by the state auditor, determines that there is a General Fund revenue surplus, the Division of Finance shall transfer 25% of the General Fund revenue surplus to the General Fund Budget Reserve Account.
  - (ii) If the transfer of 25% of the General Fund revenue surplus to the General Fund Budget Reserve Account would cause the balance in the account to exceed 9% of General Fund appropriations for the fiscal year in which the revenue surplus occurred, the Division of Finance shall transfer only those funds necessary to ensure that the balance in the account equals 9% of General Fund appropriations for the fiscal year in which the General Fund revenue surplus occurred.
  - (iii) The Division of Finance shall calculate the amount to be transferred under this Subsection (3)(a):
    - (A) after making the transfer of General Fund revenue surplus to the Medicaid Growth Reduction and Budget Stabilization Account, as provided in Section 63J-1-315;
    - (B) before transferring from the General Fund revenue surplus any other year-end contingency appropriations, year-end set-asides, or other year-end transfers required by law; and

- (C) excluding any direct legislative appropriation made to the General Fund Budget Reserve Account for the fiscal year.
  - (b)
    - (i) Except as provided in Subsection (3)(b)(ii), in addition to Subsection (3)(a)(i), if a General Fund revenue surplus exists and if, within the last 10 years, the Legislature has appropriated any money from the General Fund Budget Reserve Account that has not been replaced by appropriation or as provided in this Subsection (3)(b), the Division of Finance shall transfer up to 25% more of the General Fund revenue surplus to the General Fund Budget Reserve Account to replace the amounts appropriated, until direct legislative appropriations, if any, and transfers from the General Fund revenue surplus under this Subsection (3)(b) have replaced the appropriations from the account.
    - (ii) If the transfer under Subsection (3)(b)(i) would cause the balance in the account to exceed 9% of General Fund appropriations for the fiscal year in which the revenue surplus occurred, the Division of Finance shall transfer only those funds necessary to ensure that the balance in the account equals 9% of General Fund appropriations for the fiscal year in which the revenue surplus occurred.
    - (iii) The Division of Finance shall calculate the amount to be transferred under this Subsection (3)(b):
      - (A) after making the transfer of General Fund revenue surplus to the Medicaid Growth Reduction and Budget Stabilization Account, as provided in Section 63J-1-315;
      - (B) before transferring from the General Fund revenue surplus any other year-end contingency appropriations, year-end set-asides, or other year-end transfers required by law; and
      - (C) excluding any direct legislative appropriation made to the General Fund Budget Reserve Account for the fiscal year.
  - (c) For appropriations made by the Legislature to the General Fund Budget Reserve Account, the Division of Finance shall treat those appropriations, unless otherwise specified in the appropriation, as replacement funds for appropriations made from the account if funds were appropriated from the General Fund Budget Reserve Account within the past 10 years and have not yet been replaced.
- (4) The Legislature may appropriate money from the General Fund Budget Reserve Account only to:
- (a) resolve a General Fund budget deficit, for the fiscal year in which the General Fund budget deficit occurs;
  - (b) pay some or all of state settlement agreements approved under Title 63G, Chapter 10, State Settlement Agreements Act;
  - (c) pay retroactive tax refunds; or
  - (d) resolve an Education Fund budget deficit.
- (5) Interest generated from investments of money in the General Fund Budget Reserve Account shall be deposited into the General Fund.

Amended by Chapter 214, 2015 General Session

**63J-1-313 Establishing an Education Budget Reserve Account -- Providing for deposits and expenditures from the account -- Providing for interest generated by the account.**

- (1) As used in this section:
- (a) "Education Fund appropriations" means the sum of the spending authority for a fiscal year that is:

- (i) granted by the Legislature in all appropriation acts and bills; and
    - (ii) identified as coming from the Education Fund.
  - (b) "Education Fund budget deficit" means a situation where appropriations made by the Legislature from the Education Fund for a fiscal year exceed the estimated revenues adopted by the Executive Appropriations Committee of the Legislature for the Education Fund in that fiscal year.
  - (c) "Education Fund revenue surplus" means a situation where actual Education Fund revenues collected in a completed fiscal year exceed the estimated revenues for the Education Fund in that fiscal year that were adopted by the Executive Appropriations Committee of the Legislature.
  - (d) "Operating deficit" means that, at the end of the fiscal year, the unassigned fund balance in the Education Fund is less than zero.
- (2) There is created within the Education Fund a restricted account to be known as the Education Fund Budget Reserve Account, which is designated to receive the legislative appropriations and the surplus revenue required to be deposited into the account by this section.
- (3)
- (a)
    - (i) Except as provided in Subsection (3)(a)(ii), at the end of any fiscal year in which the Division of Finance, in consultation with the Legislative Fiscal Analyst and in conjunction with the completion of the annual audit by the state auditor, determines that there is an Education Fund revenue surplus, the Division of Finance shall transfer 25% of the Education Fund revenue surplus to the Education Fund Budget Reserve Account.
    - (ii) If the transfer of 25% of the Education Fund revenue surplus to the Education Fund Budget Reserve Account under Subsection (3)(a)(i) would cause the balance in the account to exceed 11% of Education Fund appropriations for the fiscal year in which the Education Fund revenue surplus occurred, the Division of Finance shall transfer only those funds necessary to ensure that the balance in the account equals 11% of the Education Fund appropriations for the fiscal year in which the Education Fund revenue surplus occurred.
    - (iii) The Division of Finance shall calculate the amount to be transferred under this Subsection (3)(a):
      - (A) before transferring from the Education Fund revenue surplus any other year-end contingency appropriations, year-end set-asides, or other year-end transfers required by law; and
      - (B) excluding any direct legislative appropriation made to the Education Fund Budget Reserve Account for the fiscal year.
  - (b)
    - (i) Except as provided in Subsection (3)(b)(ii), in addition to Subsection (3)(a)(i), if an Education Fund revenue surplus exists and if, within the last 10 years, the Legislature has appropriated any money from the Education Fund Budget Reserve Account that has not been replaced by appropriation or as provided in this Subsection (3)(b), the Division of Finance shall transfer up to 25% more of the Education Fund revenue surplus to the Education Fund Budget Reserve Account to replace the amounts appropriated, until direct legislative appropriations, if any, and transfers from the Education Fund revenue surplus under this Subsection (3)(b) have replaced the appropriations from the account.
    - (ii) If the transfer under Subsection (3)(b)(i) would cause the balance in the account to exceed 11% of Education Fund appropriations for the fiscal year in which the Education Fund revenue surplus occurred, the Division of Finance shall transfer only those funds necessary

to ensure that the balance in the account equals 11% of Education Fund appropriations for the fiscal year in which the revenue surplus occurred.

- (iii) The Division of Finance shall calculate the amount to be transferred under this Subsection (3)(b):
  - (A) before transferring from the Education Fund revenue surplus any other year-end contingency appropriations, year-end set-asides, or other year-end transfers required by law; and
  - (B) excluding any direct legislative appropriation made to the Education Fund Budget Reserve Account for the fiscal year.
- (c) For appropriations made by the Legislature to the Education Fund Budget Reserve Account, the Division of Finance shall treat those appropriations, unless specified otherwise in the appropriation, as replacement funds for appropriations made from the account if funds were appropriated from the account within the past 10 years and have not yet been replaced.
- (4) Notwithstanding Subsection (3), if, at the end of a fiscal year, the Division of Finance determines that an operating deficit exists, the Division of Finance may reduce the transfer to the Education Fund Budget Reserve Account by the amount necessary to eliminate the operating deficit.
- (5) The Legislature may appropriate money from the Education Fund Budget Reserve Account only to resolve an Education Fund budget deficit.
- (6) Interest generated from investments of money in the Education Fund Budget Reserve Account shall be deposited into the Education Fund.

Amended by Chapter 214, 2015 General Session

**63J-1-314 Deposits related to the Wildland Fire Suppression Fund and the Disaster Recovery Funding Act.**

- (1) As used in this section, "operating deficit" means that, at the end of the fiscal year, the unassigned fund balance in the General Fund is less than zero.
- (2) Except as provided under Subsections (3) and (4), at the end of each fiscal year, the Division of Finance shall, after the transfer of General Fund revenue surplus has been made to the Medicaid Growth Reduction and Budget Stabilization Account, as provided in Section 63J-1-315, and the General Fund Budget Reserve Account, as provided in Section 63J-1-312, transfer:
  - (a) \$4,000,000 to the Wildland Fire Suppression Fund created in Section 65A-8-204, not to exceed the cap described in Subsection 65A-8-204(5); and
  - (b) an amount into the State Disaster Recovery Restricted Account, created in Section 53-2a-603, from the General Fund revenue surplus as defined in Section 63J-1-312, calculated by:
    - (i) determining the amount of General Fund revenue surplus after the transfer to the Medicaid Growth Reduction and Budget Stabilization Account under Section 63J-1-315, the General Fund Budget Reserve Account under Section 63J-1-312, and the transfer to the Wildland Fire Suppression Fund as described in Subsection (2)(a);
    - (ii) calculating an amount equal to the lesser of:
      - (A) 25% of the amount determined under Subsection (2)(b)(ii); or
      - (B) 6% of the total of the General Fund appropriation amount for the fiscal year in which the surplus occurs; and
    - (iii) adding to the amount calculated under Subsection (2)(b)(ii) an amount equal to the lesser of:

- (A) 25% more of the amount described in Subsection (2)(b)(i); or
- (B) the amount necessary to replace, in accordance with this Subsection (2)(b)(iii), any amount appropriated from the State Disaster Recovery Restricted Account within 10 fiscal years before the fiscal year in which the surplus occurs if:
  - (I) a surplus exists; and
  - (II) the Legislature appropriates money from the State Disaster Recovery Restricted Account that is not replaced by appropriation or as provided in this Subsection (2)(b)(iii).
- (3) Notwithstanding Subsection (2), if, at the end of a fiscal year, the Division of Finance determines that an operating deficit exists, the division shall reduce the transfer to the State Disaster Recovery Restricted Account by the amount necessary to eliminate the operating deficit.
- (4) Notwithstanding Subsection (2):
  - (a) for the period beginning July 1, 2015, and ending June 30, 2020, the Division of Finance shall transfer to the Local Government Emergency Response Loan Fund 25% of the amount to be transferred into the State Disaster Recovery Restricted Account as provided in Subsection (2)(b)(ii); and
  - (b) on and after July 1, 2020, the Division of Finance shall transfer to the Local Government Emergency Response Loan Fund 10% of the amount to be transferred into the State Disaster Recovery Restricted Account as provided in Subsection (2)(b).

Amended by Chapter 134, 2016 General Session

Amended by Chapter 183, 2016 General Session

**63J-1-315 Medicaid Growth Reduction and Budget Stabilization Account -- Transfers of Medicaid growth savings -- Base budget adjustments.**

- (1) As used in this section:
  - (a) "Department" means the Department of Health created in Section 26-1-4.
  - (b) "Division" means the Division of Health Care Financing created within the department under Section 26-18-2.1.
  - (c) "General Fund revenue surplus" means a situation where actual General Fund revenues collected in a completed fiscal year exceed the estimated revenues for the General Fund for that fiscal year that were adopted by the Executive Appropriations Committee of the Legislature.
  - (d) "Medicaid growth savings" means the Medicaid growth target minus Medicaid program expenditures, if Medicaid program expenditures are less than the Medicaid growth target.
  - (e) "Medicaid growth target" means Medicaid program expenditures for the previous year multiplied by 1.08.
  - (f) "Medicaid program" is as defined in Section 26-18-2.
  - (g) "Medicaid program expenditures" means total state revenue expended for the Medicaid program from the General Fund, including restricted accounts within the General Fund, during a fiscal year.
  - (h) "Medicaid program expenditures for the previous year" means total state revenue expended for the Medicaid program from the General Fund, including restricted accounts within the General Fund, during the fiscal year immediately preceding a fiscal year for which Medicaid program expenditures are calculated.
  - (i) "Operating deficit" means that, at the end of the fiscal year, the unassigned fund balance in the General Fund is less than zero.
  - (j) "State revenue" means revenue other than federal revenue.

- (k) "State revenue expended for the Medicaid program" includes money transferred or appropriated to the Medicaid Growth Reduction and Budget Stabilization Account only to the extent the money is appropriated for the Medicaid program by the Legislature.
- (2) There is created within the General Fund a restricted account to be known as the Medicaid Growth Reduction and Budget Stabilization Account.
- (3)
  - (a)
    - (i) Except as provided in Subsection (6), if, at the end of a fiscal year, there is a General Fund revenue surplus, the Division of Finance shall transfer an amount equal to Medicaid growth savings from the General Fund to the Medicaid Growth Reduction and Budget Stabilization Account.
    - (ii) If the amount transferred is reduced to prevent an operating deficit, as provided in Subsection (6), the Legislature shall include, to the extent revenue is available, an amount equal to the reduction as an appropriation from the General Fund to the account in the base budget for the second fiscal year following the fiscal year for which the reduction was made.
  - (b) If, at the end of a fiscal year, there is not a General Fund revenue surplus, the Legislature shall include, to the extent revenue is available, an amount equal to Medicaid growth savings as an appropriation from the General Fund to the account in the base budget for the second fiscal year following the fiscal year for which the reduction was made.
  - (c) Subsections (3)(a) and (3)(b) apply only to the fiscal year in which the department implements the proposal developed under Section 26-18-405 to reduce the long-term growth in state expenditures for the Medicaid program, and to each fiscal year after that year.
- (4) The Division of Finance shall calculate the amount to be transferred under Subsection (3):
  - (a) before transferring revenue from the General Fund revenue surplus to:
    - (i) the General Fund Budget Reserve Account under Section 63J-1-312;
    - (ii) the Wildland Fire Suppression Fund created in Section 65A-8-204, as described in Section 63J-1-314; and
    - (iii) the State Disaster Recovery Restricted Account under Section 63J-1-314;
  - (b) before earmarking revenue from the General Fund revenue surplus to the Industrial Assistance Account under Section 63N-3-106; and
  - (c) before making any other year-end contingency appropriations, year-end set-asides, or other year-end transfers required by law.
- (5)
  - (a) If, at the close of any fiscal year, there appears to be insufficient money to pay additional debt service for any bonded debt authorized by the Legislature, the Division of Finance may hold back from any General Fund revenue surplus money sufficient to pay the additional debt service requirements resulting from issuance of bonded debt that was authorized by the Legislature.
  - (b) The Division of Finance may not spend the hold back amount for debt service under Subsection (5)(a) unless and until it is appropriated by the Legislature.
  - (c) If, after calculating the amount for transfer under Subsection (3), the remaining General Fund revenue surplus is insufficient to cover the hold back for debt service required by Subsection (5)(a), the Division of Finance shall reduce the transfer to the Medicaid Growth Reduction and Budget Stabilization Account by the amount necessary to cover the debt service hold back.
  - (d) Notwithstanding Subsections (3) and (4), the Division of Finance shall hold back the General Fund balance for debt service authorized by this Subsection (5) before making any transfers to the Medicaid Growth Reduction and Budget Stabilization Account or any other designation or allocation of General Fund revenue surplus.

- (6) Notwithstanding Subsections (3) and (4), if, at the end of a fiscal year, the Division of Finance determines that an operating deficit exists and that holding back earmarks to the Industrial Assistance Account under Section 63N-3-106, transfers to the Wildland Fire Suppression Fund and State Disaster Recovery Restricted Account under Section 63J-1-314, transfers to the General Fund Budget Reserve Account under Section 63J-1-312, or earmarks and transfers to more than one of those accounts, in that order, does not eliminate the operating deficit, the Division of Finance may reduce the transfer to the Medicaid Growth Reduction and Budget Stabilization Account by the amount necessary to eliminate the operating deficit.
- (7) The Legislature may appropriate money from the Medicaid Growth Reduction and Budget Stabilization Account only:
  - (a) if Medicaid program expenditures for the fiscal year for which the appropriation is made are estimated to be 108% or more of Medicaid program expenditures for the previous year; and
  - (b) for the Medicaid program.
- (8) The Division of Finance shall deposit interest or other earnings derived from investment of Medicaid Growth Reduction and Budget Stabilization Account money into the General Fund.

Amended by Chapter 183, 2016 General Session